UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In Re TERRORIST ATTACKS on SEPTEMBER 11, 2001		03 MDL 1570 (RCC)

This document relates to:

Ashton v. Al Qaeda, et al., 02 CV 6977 (RCC)

SUPPLEMENTAL AFFIDAVIT OF JOHN FAWCETT IN SUPPORT OF ASHTON PLAINTIFFS' OPPOSITION TO NATIONAL COMMERCIAL BANK'S MOTION TO DISMISS

STATE OF NEW YORK)
).ss.:
COUNTY OF NEW YORK)

1. For over 18 months, I have been working under contract for Kreindler & Kreindler LLP as an investigator in the case Kathleen Ashton v. al Qaeda Islamic Army et. al. I have worked in the field of international relations for 25 years, the last 5 of which were spent tracking the financial support networks of human rights abusers and terrorists.

2. As part of my duties, I have been asked to examine the commercial activities of the Public Investment Fund (PIF) as well as its purchases of shares in the National Commercial Bank (NCB.)

3. I have been informed that NCB has claimed that on the date of the filing of the *Ashton* action, September 4, 2002, it was majority owned by the Public Investment Fund, which NCB claims is part of the Kingdom of Saudi Arabia. I have reviewed the affidavit of AL-Wohaibi, dated August 24, 2003, in which he states that the PIF owns 69.3% of NCB. Mr. AL-Wohaibi, however, does not state when NCB bought those shares and all his statement

establishes (without support) is that on the date he signed the affidavit, PIF owned the majority of NCB. My research indicates the following:

- In May 1999, PIF bought 50 % of the shares of the National Commercial Bank from the Bin Mahfouz family. (See Exhibit No. 1.)

- Sometime later in 1999, PIF sold one-fifth of these shares, equal to 10% of total shares of NCB to the General Organization for Social Insurance (GOSI.) (See Exhibit No. 2.)

- Late in 2002, the PIF agreed to buy a further 30% of the shares of the NCB from the Bin Mahfouz family. (See Exhibit No.3.)

- On Jan 3, 2003, the NCB announced that the purchase of the 30% had been completed. (See Exhibit No. 4.)

4. Based on my research and the exhibit documents, NCB was not majority owned by the PIF on the date the *Ashton* complaint was filed.

Dated: New York, New York
September 23, 2004

John Fawcett

John Fawcett

Sworn to before me this
23rd day of September, 2004

Leslie J. Wasserbauer

Notary Public

LESLIE J. WASSERBAUER
NOTARY PUBLIC, State of New York
No. 30-4860403
Qualified in Nassau County
Commission Expires June 9, 2006

EXHIBIT 1

Middle East Economic Digest

June 11, 1999

SECTION: Pg. 24

LENGTH: 1337 words

HEADLINE: STATE OUSTS BIN MAHFOUZ FROM NCB

DATELINE: SAUDI ARABIA

BODY:

The state has acquired 50 per cent of National Commercial Bank (NCB), removing the country's largest financial institution from the control of its chairman and general manager, Khalid Bin Mahfouz.

The transaction, understood to have been completed in late May, involved the state's Public Investment Fund (PIF) buying half of the bank from Bin Mahfouz's personal shareholding. The move is widely seen as a victory for the Saudi Arabian Monetary Agency (SAMA - central bank) which was known to be unhappy with the bank's top management. "To all intents and purposes, Khalid (Bin Mahfouz) is out," says one source close to the bank. "Control has clearly passed from the family".

The move has been described as a positive development by many analysts familiar with the bank. "The PIF ownership should not adversely affect the bank. It will have a stabilising effect," says Andrew Beikos of credit ratings agency Capital Intelligence. "The main problem seemed to have been with Khalid (Bin Mahfouz). SAMA wanted him out."

The change in ownership structure is thought to leave Bin Mahfouz with a minority stake of no more than 10 per cent. However, other members of his immediate family including his sons Abdulrahman and Sultan, both board members, and his wife, Naila Abdulaziz Kaaki, retain substantial stakes, thought to total about another 30 per cent.

Bin Mahfouz's position at the head of the bank had begun to look uncertain in April when Abdullah Bahamdan, the vice-chairman, was promoted to managing director (MEED 7:5:99). "From that moment on, it was clear Khalid was taking a back seat," says one source. He is now expected to stand down as chairman, some three years after he succeeded his brother Mohammed, who had seen the bank through a four-year restructuring period. In 1992, Khalid had resigned as NCB chief executive, following the closure the year before of Bank of Credit & Commerce International (BCCI). Charges filed against Khalid by the US' Federal Reserve were later dropped, clearing the way for his return to NCB.

Says Beikos: "The main question-mark remaining is what the government will do with 50 per cent of NCB. It will eventually have to unload that to the market." Many suspect PIF will not be a long-term shareholder. "It will be divesting in an orderly fashion in the next year or two," one source says.

NCB officials decline to comment on the value of the PIF deal. However, sources close to the bank say they would be surprised if the purchase was not at a premium to net asset value. The book value for the stake is some SR 4,000 million ($1,067 million) based on end-1997 figures. Reports in the Arabic press have speculated that the purchase price may have been as much as SR 9,000 million ($2,400 million). The transaction is the main reason why NCB has delayed releasing results for 1998. Says Beikos: "PIF wanted to have a closer look at provisioning and the value of the bank." NCB sources say the accounts have now been approved by the board and sent to SAMA. They are expected to be published by mid- June.

In 1997, NCB reported earnings of SR 1,043 million ($278 million). It is the largest bank in Saudi Arabia with assets totalling more than SR 80,000 million ($21,333 million).

Bank merger set to go ahead

The boards of Saudi American Bank (Samba) and United Saudi Bank (USB) have approved the merger of the two banks and are to recommend the agreement to shareholders. The proposed merger has been agreed on the basis of one share in Samba for 3.25 shares in USB, which is a substantial improvement on the 1:3.75 exchange that had featured in recent speculation about the negotiations. The agreement, which was approved by the Samba board on 29 May, is to be recommended to an extraordinary general assembly of Samba shareholders in late June or early July.

The agreement ends months of negotiations and last minute jockeying about the basis for the share exchange at the heart of the deal (MEED 4:6:99). Analysts in Riyadh say the agreement may include some conditions relating to the size of the USB balance sheet to be included in the final valuation. They say that it may be reduced if a portion of the USB loan portfolio which is deemed to be unrecoverable is removed. The London daily Al-Hayat reported on 30 May that some SR 400 million ($107 million) of USB's lending may fall into this category.

Trading in the shares of the two banks, which was suspended by the Saudi Arabian Monetary Agency (SAMA - central bank) on 25 May, resumed on 30 May. Upon completion, the merger will create the second largest bank after National Commercial Bank, with estimated assets of SR 77,227 million ($20,594 million).

Saudi Construction to build Makkah tower

The local Saudi Construction Company has been awarded a contract to build a multi-storey residential and commercial development in Makkah. The client for the estimated SR 250 million ($67 million) project is the local Urban Development Establishment (UDE).

The Al-Jiwar project is being developed on a site some 200 metres from the central mosque behind Jiyad Hospital. It will comprise 14 floors of office and residential accommodation in addition to several floors for service facilities. There are to be 250 accommodation units with floor areas ranging from 30-120 square metres. However, the building is designed to allow easy subdivision or conjoining of units. Unit prices are in the range of SR 17,000-26,000 ($4,533-6,933) a square metre. The ground floor and a mezzanine floor will be given over to parking. The basement will contain a restaurant.

UDE will supervise administration and servicing of the building for a 15 per cent fee plus costs until all units have been sold and an owners company established. Construction of the project is scheduled for completion within 30 months.

Al-Othaim weighs shopping centre bids

Bids went in on 20 May for construction of commercial centres in Riyadh and Qassim for the local Universal Marketing Centre Group (Al-Othaim - MEED 7:5:99).

The Riyadh development, to be built on a 32,000-square-metre site off the eastern ring road, will comprise 263 retail units over two floors and a 2,500-square-metre family entertainment centre. The bidders, all local, were Astra, Al-Hashim, Lada Contracting Company, Sahara Building Contractors, Sowaih and Tarouk Contracting Corporation. The construction cost is estimated at SR 50 million ($13 million).

In Qassim, the client plans a second two-level shopping centre with family entertainment facilities. The bidders for an estimated SR 35 million ($9 million) contract, all local, were: Fahd, Al-Fawzan Trading & Contracting Establishment, Al-Hashim, Al-Redwan Trading & Construction Group, Sahara and Tarouk.

Al-Othaim says it aims to draw up a shortlist of three contractors for each project who will then be invited for negotiations. Bid evaluation is not expected to be completed before mid-July. Both projects will be on 20-month construction schedules. They were designed by the local Al- Mi'mariya.

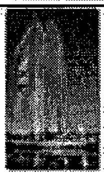
Departure taxes introduced

Airport and sea port departure taxes were to be introduced on 8 June, Arabic newspapers in late May reported local civil aviation sources as saying. The fees, which were announced last July, are to be levied at rates of SR 50 ($13) a passenger for international air departures and SR 20 ($5) a head for those leaving the country by sea (MEED 24:7:98). Pilgrims, sailors, diplomats, infants, transit passengers and funeral parties will be exempted from the taxes.

Presidency of Civil Aviation officials were not available to comment when MEED went to press. However, the sources said the charges would generate some SR 900 million ($240 million) a year from airport traffic based on 18 million non-pilgrim departures a year. The scheme, to be administered by Al-Rajhi Banking & Investment Corporation, is the third revenue-raising measure to be introduced in recent weeks following rises in work permit and gasoline costs (MEED 28:5:99).

LOAD-DATE: June 8, 1999

EXHIBIT 2



Your Bank In Your Hand

About NCB

The National Commercial Bank

Founding:

- The National Commercial Bank was the first bank established in Saudi Arabia and was formed in 1953 pursuant to a Royal Decree by the late King Abdulaziz Bin Abdul Rahman Al Saud to convert the partnership of Saleh & Abdulaziz Kaki and Salem Bin Mahfouz into the National Commercial Bank.
- The NCB was founded with a paid-up capital of SR 30 million (US 8 million).

Ownership & Legal Constitution:

- The Bank was constituted as a General Partnership from its founding in 1953 until July 11 1977, when it was reconstituted as a Joint Stock Company as a first step towards an initial public offering.
- During 1999, the Public Investment Fund (PIF) acquired a 50% holding in the Bank, and subsequently sold 10% to the General Organization for Social Insurance (GOSI).
- At the present time, the Bank's shareholding is as follows:

PIF - 69.3%
GOSI - 10.0%
24 Private Investors - 20.7%

Management:

- Pursuant to the change in the Bank's ownership in 1999, a new Board of Directors was elected under the Chairmanship of Mr. Abdullah Bahamdan, and Mr. Abdulhadi Shayif was appointed as the Bank's General Manager. This marked the first time in the Bank's history that there was a clear separation between ownership and management, and formed the beginning of a quantum improvement in the Bank's quality of customer services, in the breadth of its product offering, and in its financial performance indicators.

Financial Indicators:

- The NCB is the largest Bank in terms of capital both in Saudi Arabia and in the Middle East. The Bank's paid-up capital is SR 6,000 million (US$ 1,600 million).
- Total assets at year end 2002 totaled SR 106,658 million (US$ 28,442 million)
- Net profit for fiscal year 2002 totaled SR 2,433 million (US$ 699 million)
- Shareholders' equity at year end 2002 totaled SR 8,918 million (US$ 2,378 million)
- Return on average Shareholder's equity for fiscal year 2002 amounted to 32%.
- Earning per share for fiscal year 2002 amounted to SR 40.5 (US$ 11), an increase of 129% over earning per share for fiscal year 1998.

Key Facts & Figures:

- At year end 2002, the Bank operated 248 branches throughout the Kingdom, including 78 branches dedicated exclusively to Islamic Banking services.
- By year end 2002, the Bank's customers surpassed one million clients.
- At year end 2002, NCB achieved the following market share positions:
    - 47.5% of investment funds
    - 26.8% of personal finance
    - 23.1% of customer deposits
    - 27.2 % of fees from Banking services
    - 22.8% of net income
    - 21.5% of total assets
- At year end 2002, the Bank employed 4,136 people of whom 80% were Saudis.
- At year end 2002, two of the Bank's Sharia'a compliant mutual funds, Al Ahli Saudi Riyal Trading Fund(assets under management of SR 10,769 million or US$ 2,872), and Al Ahli Global Equity Trading Fund(assets under management of SR 1,312 million or US$ 350 million), ranked as the largest funds in the world in their categories.
- The Bank operates the largest dealing room in foreign exchange and money market in the Middle East.
- The Bank operates 760 Automated Teller Machines and 3,719 Point-of -Sale Terminals.
- The Bank operates 2 international branches in Beirut and Bahrain, and 5 representative offices in London, Seoul, Tokyo, Frankfurt and Singapore.
- The Bank operates a comprehensive array of alternative channels for services delivery, including Al Ahli Telephone Banking, Al Ahli Mobile Banking, Al Ahli Online, Al Ahli Trade and Al Ahli International Brokerage.
- Over 60% of customer transactions were executed through alternative delivery channels during fiscal year 2002.
- The Bank was the first Saudi Bank to launch Credit Cards for settlement of online purchases.
- In cooperation with Saudi Telecommunication Company, the Bank pioneered mobile banking in Saudi Arabia by introducing Al-Ahli SMS Service, a service which provides customers with easy and secure contact with their NCB accounts via mobile telephones.

Details

Board of Directors ▸
The Kingdom of Saudi Arabia ▸
Saudization Program ▸
Community Involvements ▸
Press Releases ▸
Awards ▸

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| Business Banking | Site Map |

EXHIBIT 3

Saudi govt raises stake in NCB to 80 pct-bankers.
292 words
6 January 2003
07:33
Reuters News
English

RIYADH, Jan 6 (Reuters) - The Saudi government has purchased an additional 30 percent of privately held National Commercial Bank (NCB) for $1.8 billion, taking its stake in the country's largest bank to 80 percent, banking sources said on Monday.

They said the sale followed an agreement between the state's Public Investment Fund (PIF) and the al-Mahfouz family two months ago to purchase the family's 30 percent stake in NCB.

"The Saudi government has paid around $1.8 billion to purchase the 30 percent stake," one senior banker told Reuters. Jeddah-based NCB declined to comment, but one official said a formal announcement would be made next week.

In 1991, PIF bought a 50 percent stake in NCB from the al-Mahfouz family worth around $2.4 billion. It later sold 10 percent to the state-run General Organisation for Social Insurance.

Some economists urged the government to include the bank in its privatisation programme, which has been jump-started by a recent $4 billion flotation of 30 percent of sole telecoms provider Saudi Telecommunications Co.

"We hope the kingdom will not hold on to its stake in NCB and, instead, offer it to the public in the near future," said Abdel-Aziz al-Dhakil, chairman of the Consulting Centre for Finance and Investment.

NCB became a joint stock company in 1997 but its stocks were held by a few investors and are not listed on the Saudi bouse.

NCB posted a 29.9 percent increase in nine-month net profits to 1.99 billion riyals ($531 million) from the same period in 2001. Assets stood at 103.8 billion riyals for the period. ($1=3.75 riyals).

Document lba0000020030106dz1600mkk

EXHIBIT 4

Saudi government buys Arab world's largest bank

152 words
3 January 2003
09:03
Associated Press Newswires
English

RIYADH, Saudi Arabia (AP) - The Saudi government has bought the National Commercial Bank for 7 billion riyals (US$1.86 billion), an official at the bank said Friday.

The bank is the largest in terms of capitalization in the Arab world with 8 billion riyals ($2.13 billion) in capital.

The purchase concluded a process that began in 1999, when the investment arm of the Saudi Finance Ministry, the Public Investment Fund, acquired 50 percent of the bank's shares.

With the latest transaction, also made by the PIF, the Saudi government owns more than 95 percent of the bank.

The official, speaking on condition of anonymity, refused to disclose details of the purchase or say when it was finalized.

The National Commercial Bank was owned by the bin Mahfouz family before it became a joint stock company in 1997.

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Rush

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